



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018  
OF THE CONDITION AND AFFAIRS OF THE

STATE MUTUAL INSURANCE COMPANY

NAIC Group Code02800280NAIC Company Code16020Employer's ID Number01-0165140  
(Current)(Prior)

Organized under the Laws ofMaine, State of Domicile or Port of EntryME  
Country of DomicileUnited States of America

Incorporated/Organized05/15/1899Commenced Business05/15/1899

Statutory Home Office572 Kittyhawk AvenueAuburn, ME, US 04211-1350  
(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office4 Bouton StreetConcord, NH, US 03301-5023603-224-4086  
(Street and Number)(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Mail Address4 Bouton StreetConcord, NH, US 03301-5023  
(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records4 Bouton StreetConcord, NH, US 03301-5023603-224-4086  
(Street and Number)(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Internet Website Addresswww.concordgroupinsurance.com

Statutory Statement ContactAshley Gloria Lorriane Gelinas603-224-4086-6254  
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OFFICERS

PresidentLinda Joy DayVice PresidentDaniel Lawrence McCabe #

Corporate SecretaryWilliam Finch Woodbury

OTHER

Michael Paul Capozza #, Vice PresidentJohn Everett Goodwin, Vice PresidentThomas John McConnell, Vice President

Michael Philip Nolin Jr., Vice PresidentDaniel Rodgers, Vice President

DIRECTORS OR TRUSTEES

Linda Joy DayMichael Bellamy GreenLori Ann McAllister

Daniel Lawrence McCabe #Warren Christopher McLean Jr.Carolyn Burroughs Muller


Gordon Alvan Rehnborg Jr.Theodore William Reinbold #Jeffrey Scott Tagsold, Chairman #


Daniel Jerome ThelenWilliam Finch Woodbury


State ofMaineSS:

County ofAndroscoggin

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

  
Linda Joy Day  
President

  
William Finch Woodbury  
Corporate Secretary

  
Bruce Wayne Sorette  
Vice President & Treasurer

Subscribed and sworn to before me this14thday ofFebruary, 2019

- a. Is this an original filing? ..... Yes [ X ] No [ ]
- b. If no,  
1. State the amendment number.....  
2. Date filed .....  
3. Number of pages attached .....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	11,512,955	0	11,512,955	6,556,746
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	1,271,472	0	1,271,472	1,441,115
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	0	0	0	0
5. Cash (\$ .....141,521 , Schedule E - Part 1), cash equivalents (\$ .....308,282 , Schedule E - Part 2) and short-term investments (\$ .....0 , Schedule DA) .....	449,803	0	449,803	5,294,598
6. Contract loans (including \$ .....0 premium notes) .....	0	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0	0
8. Other invested assets (Schedule BA) .....	227,181	0	227,181	0
9. Receivable for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	13,461,411	0	13,461,411	13,292,459
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	111,785	0	111,785	69,421
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	0	0	0	0
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums (\$ .....0 ) and contracts subject to redetermination (\$ .....0 ) .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	0	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	5,790	0	5,790	6,612
18.2 Net deferred tax asset .....	0	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0	0
24. Health care (\$ .....0 ) and other amounts receivable .....	0	0	0	0
25. Aggregate write-ins for other than invested assets .....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	13,578,986	0	13,578,986	13,368,492
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	13,578,986	0	13,578,986	13,368,492
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	0	0
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	0	0
4. Commissions payable, contingent commissions and other similar charges .....	0	0
5. Other expenses (excluding taxes, licenses and fees) .....	0	0
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	0	0
7.1 Current federal and foreign income taxes (including \$ .....0 on realized capital gains (losses)) .....	0	0
7.2 Net deferred tax liability .....	134,439	163,273
8. Borrowed money \$ .....0 and interest thereon \$ .....0 .....	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....906,000 and including warranty reserves of \$ .....0 and accrued accident and health experience rating refunds including \$ .....0 for medical loss ratio rebate per the Public Health Service Act) .....	0	0
10. Advance premium .....	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders .....	0	0
11.2 Policyholders .....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	0	0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) .....	0	0
14. Amounts withheld or retained by company for account of others .....	0	0
15. Remittances and items not allocated .....	0	0
16. Provision for reinsurance (including \$ .....0 certified) (Schedule F, Part 3, Column 78) .....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0
18. Drafts outstanding .....	0	0
19. Payable to parent, subsidiaries and affiliates .....	6,598	0
20. Derivatives .....	0	0
21. Payable for securities .....	0	0
22. Payable for securities lending .....	0	0
23. Liability for amounts held under uninsured plans .....	0	0
24. Capital notes \$ .....0 and interest thereon \$ .....0 .....	0	0
25. Aggregate write-ins for liabilities .....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	141,037	163,273
27. Protected cell liabilities .....	0	0
28. Total liabilities (Lines 26 and 27) .....	141,037	163,273
29. Aggregate write-ins for special surplus funds .....	0	0
30. Common capital stock .....	0	0
31. Preferred capital stock .....	0	0
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....	10,600,000	10,600,000
34. Gross paid in and contributed surplus .....	0	0
35. Unassigned funds (surplus) .....	2,837,949	2,605,219
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$ .....0 ) .....	0	0
36.2 .....0 shares preferred (value included in Line 31 \$ .....0 ) .....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....	13,437,949	13,205,219
38. TOTALS (Page 2, Line 28, Col. 3) .....	13,578,986	13,368,492
DETAILS OF WRITE-INS		
2501. ....		
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	0	0
2901. Surplus Note .....	0	0
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	0
3201. ....	0	0
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above) .....	0	0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	0	0
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	0	0
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	0	0
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	0	0
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	0	0
7. Net income of protected cells	0	0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	0	0
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	356,638	92,080
10. Net realized capital gains or (losses) less capital gains tax of \$ 17,066 (Exhibit of Capital Gains (Losses) )	64,201	5,080
11. Net investment gain (loss) (Lines 9 + 10)	420,839	97,160
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0 )	0	0
13. Finance and service charges not included in premiums	0	0
14. Aggregate write-ins for miscellaneous income	0	0
15. Total other income (Lines 12 through 14)	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	420,839	97,160
17. Dividends to policyholders	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	420,839	97,160
19. Federal and foreign income taxes incurred	69,755	13,442
20. Net income (Line 18 minus Line 19)(to Line 22)	351,084	83,718
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	13,205,219	2,275,615
22. Net income (from Line 20)	351,084	83,718
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (30,694)	(116,494)	144,504
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	(1,860)	101,382
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	0	0
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes	0	10,600,000
30. Surplus (contributed to) withdrawn from protected cells	0	0
31. Cumulative effect of changes in accounting principles	0	0
32. Capital changes:		
32.1 Paid in	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0
32.3 Transferred to surplus	0	0
33. Surplus adjustments:		
33.1 Paid in	0	0
33.2 Transferred to capital (Stock Dividend)	0	0
33.3 Transferred from capital	0	0
34. Net remittances from or (to) Home Office	0	0
35. Dividends to stockholders	0	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	232,730	10,929,604
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	13,437,949	13,205,219
DETAILS OF WRITE-INS		
0501.	0	0
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)	0	0
1401.	0	0
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0
3701. Repayment of surplus note	0	0
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	0	0
2. Net investment income .....	413,213	54,274
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	413,213	54,274
5. Benefit and loss related payments .....	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	0	0
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....	86,000	31,437
10. Total (Lines 5 through 9) .....	86,000	31,437
11. Net cash from operations (Line 4 minus Line 10) .....	327,213	22,837
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	352,812	179,919
12.2 Stocks .....	101,824	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	454,636	179,919
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	5,531,492	5,678,663
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	101,750	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	5,633,242	5,678,663
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(5,178,606)	(5,498,744)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	10,600,000
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	6,598	0
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	6,598	10,600,000
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(4,844,795)	5,124,093
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	5,294,598	170,505
19.2 End of period (Line 18 plus Line 19.1) .....	449,803	5,294,598

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Investment Mergers, Exchanges, Nonreciprocal Transfers, Spin-Offs, and Reclassifications .....	249,240	0
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Underwriting and Investment Exhibit - Part 1 - Premiums Earned

**N O N E**

Underwriting and Investment Exhibit - Part 1A - Recapitulation of all Premiums

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN						
Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2	3	4	5	Net Premiums Written Cols. 1+2+3-4-5
1. Fire .....	0	0	0	0	0	0
2. Allied lines .....	0	0	0	0	0	0
3. Farmowners multiple peril .....	0	0	0	0	0	0
4. Homeowners multiple peril .....	1,569,633	0	0	1,569,633	0	0
5. Commercial multiple peril .....	0	0	0	0	0	0
6. Mortgage guaranty .....	0	0	0	0	0	0
8. Ocean marine .....	0	0	0	0	0	0
9. Inland marine .....	17,024	0	0	17,024	0	0
10. Financial guaranty .....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence .....	0	0	0	0	0	0
11.2 Medical professional liability - claims-made .....	0	0	0	0	0	0
12. Earthquake .....	0	0	0	0	0	0
13. Group accident and health .....	0	0	0	0	0	0
14. Credit accident and health (group and individual) .....	0	0	0	0	0	0
15. Other accident and health .....	0	0	0	0	0	0
16. Workers' compensation .....	0	0	0	0	0	0
17.1 Other liability - occurrence .....	9,798	0	0	9,798	0	0
17.2 Other liability - claims-made .....	0	0	0	0	0	0
17.3 Excess workers' compensation .....	0	0	0	0	0	0
18.1 Products liability - occurrence .....	0	0	0	0	0	0
18.2 Products liability - claims-made .....	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability .....	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability .....	0	0	0	0	0	0
21. Auto physical damage .....	0	0	0	0	0	0
22. Aircraft (all perils) .....	0	0	0	0	0	0
23. Fidelity .....	0	0	0	0	0	0
24. Surety .....	0	0	0	0	0	0
26. Burglary and theft .....	0	0	0	0	0	0
27. Boiler and machinery .....	0	0	0	0	0	0
28. Credit .....	0	0	0	0	0	0
29. International .....	0	0	0	0	0	0
30. Warranty .....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property .....	XXX	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability .....	XXX	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines .....	XXX	0	0	0	0	0
34. Aggregate write-ins for other lines of business .....	0	0	0	0	0	0
35. TOTALS	1,596,455	0	0	1,596,455	0	0
DETAILS OF WRITE-INS						
3401. ....						
3402. ....						
3403. ....						
3498. Summary of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis?    Yes [    ]    No [ X ]

If yes:    1. The amount of such installment premiums \$ .....0

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$ .....0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 -3 )	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire .....	0	0	0	0	0	0	0	0.0
2.	Allied lines .....	0	0	0	0	0	0	0	0.0
3.	Farmowners multiple peril .....	0	0	0	0	0	0	0	0.0
4.	Homeowners multiple peril .....	513,914	0	513,914	0	0	0	0	0.0
5.	Commercial multiple peril .....	0	0	0	0	0	0	0	0.0
6.	Mortgage guaranty .....	0	0	0	0	0	0	0	0.0
8.	Ocean marine .....	0	0	0	0	0	0	0	0.0
9.	Inland marine .....	1,950	0	1,950	0	0	0	0	0.0
10.	Financial guaranty .....	0	0	0	0	0	0	0	0.0
11.1	Medical professional liability - occurrence .....	0	0	0	0	0	0	0	0.0
11.2	Medical professional liability - claims-made .....	0	0	0	0	0	0	0	0.0
12.	Earthquake .....	0	0	0	0	0	0	0	0.0
13.	Group accident and health .....	0	0	0	0	0	0	0	0.0
14.	Credit accident and health (group and individual) .....	0	0	0	0	0	0	0	0.0
15.	Other accident and health .....	0	0	0	0	0	0	0	0.0
16.	Workers' compensation .....	0	0	0	0	0	0	0	0.0
17.1	Other liability - occurrence .....	0	0	0	0	0	0	0	0.0
17.2	Other liability - claims-made .....	0	0	0	0	0	0	0	0.0
17.3	Excess workers' compensation .....	0	0	0	0	0	0	0	0.0
18.1	Products liability - occurrence .....	0	0	0	0	0	0	0	0.0
18.2	Products liability - claims-made .....	0	0	0	0	0	0	0	0.0
19.1, 19.2	Private passenger auto liability .....	0	0	0	0	0	0	0	0.0
19.3, 19.4	Commercial auto liability .....	0	0	0	0	0	0	0	0.0
21.	Auto physical damage .....	0	0	0	0	0	0	0	0.0
22.	Aircraft (all perils) .....	0	0	0	0	0	0	0	0.0
23.	Fidelity .....	0	0	0	0	0	0	0	0.0
24.	Surety .....	0	0	0	0	0	0	0	0.0
26.	Burglary and theft .....	0	0	0	0	0	0	0	0.0
27.	Boiler and machinery .....	0	0	0	0	0	0	0	0.0
28.	Credit .....	0	0	0	0	0	0	0	0.0
29.	International .....	0	0	0	0	0	0	0	0.0
30.	Warranty .....	0	0	0	0	0	0	0	0.0
31.	Reinsurance - nonproportional assumed property .....	XXX	0	0	0	0	0	0	0.0
32.	Reinsurance - nonproportional assumed liability .....	XXX	0	0	0	0	0	0	0.0
33.	Reinsurance - nonproportional assumed financial lines .....	XXX	0	0	0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0	0	0.0
35.	TOTALS	515,864	0	515,864	0	0	0	0	0.0
DETAILS OF WRITE-INS									
3401.	.....	0	0	0	0	0	0	0	0.0
3402.	.....								
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0	0	0.0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0	0	0	0.0



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire .....	0	0	0	0	0	0	0	0	0
2.	Allied lines .....	0	0	0	0	0	0	0	0	0
3.	Farmowners multiple peril .....	0	0	0	0	0	0	0	0	0
4.	Homeowners multiple peril .....	458,390	0	458,390	0	(173,000)	0	(173,000)	0	0
5.	Commercial multiple peril .....	0	0	0	0	0	0	0	0	0
6.	Mortgage guaranty .....	0	0	0	0	0	0	0	0	0
8.	Ocean marine .....	0	0	0	0	0	0	0	0	0
9.	Inland marine .....	0	0	0	0	0	0	0	0	0
10.	Financial guaranty .....	0	0	0	0	0	0	0	0	0
11.1	Medical professional liability - occurrence .....	0	0	0	0	0	0	0	0	0
11.2	Medical professional liability - claims-made .....	0	0	0	0	0	0	0	0	0
12.	Earthquake .....	0	0	0	0	0	0	0	0	0
13.	Group accident and health .....	0	0	0	0	0	0	0	(a) 0	0
14.	Credit accident and health (group and individual) .....	0	0	0	0	0	0	0	0	0
15.	Other accident and health .....	0	0	0	0	0	0	0	(a) 0	0
16.	Workers' compensation .....	0	0	0	0	0	0	0	0	0
17.1	Other liability - occurrence .....	0	0	0	0	0	0	0	0	0
17.2	Other liability - claims-made .....	0	0	0	0	0	0	0	0	0
17.3	Excess workers' compensation .....	0	0	0	0	0	0	0	0	0
18.1	Products liability - occurrence .....	0	0	0	0	0	0	0	0	0
18.2	Products liability - claims-made .....	0	0	0	0	0	0	0	0	0
19.1, 19.2	Private passenger auto liability .....	0	0	0	0	0	0	0	0	0
19.3, 19.4	Commercial auto liability .....	0	0	0	0	0	0	0	0	0
21.	Auto physical damage .....	0	0	0	0	0	0	0	0	0
22.	Aircraft (all perils) .....	0	0	0	0	0	0	0	0	0
23.	Fidelity .....	0	0	0	0	0	0	0	0	0
24.	Surety .....	0	0	0	0	0	0	0	0	0
26.	Burglary and theft .....	0	0	0	0	0	0	0	0	0
27.	Boiler and machinery .....	0	0	0	0	0	0	0	0	0
28.	Credit .....	0	0	0	0	0	0	0	0	0
29.	International .....	0	0	0	0	0	0	0	0	0
30.	Warranty .....	0	0	0	0	0	0	0	0	0
31.	Reinsurance - nonproportional assumed property .....	XXX	0	0	0	XXX	0	0	0	0
32.	Reinsurance - nonproportional assumed liability .....	XXX	0	0	0	XXX	0	0	0	0
33.	Reinsurance - nonproportional assumed financial lines .....	XXX	0	0	0	XXX	0	0	0	0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0	0	0	0
35.	TOTALS .....	458,390	0	458,390	0	(173,000)	0	(173,000)	0	0
DETAILS OF WRITE-INS										
3401.	.....									
3402.	.....									
3403.	.....									
3498.	Summary of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....	0	0	0	0	0	0	0	0	0

(a) Including \$ 0 for present value of life indemnity claims.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct .....	38,097	0	0	38,097
1.2 Reinsurance assumed .....	0	0	0	0
1.3 Reinsurance ceded .....	38,097	0	0	38,097
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....	0	0	0	0
2. Commission and brokerage:				
2.1 Direct excluding contingent .....	0	314,727	0	314,727
2.2 Reinsurance assumed, excluding contingent .....	0	0	0	0
2.3 Reinsurance ceded, excluding contingent .....	0	314,727	0	314,727
2.4 Contingent - direct .....	0	0	0	0
2.5 Contingent - reinsurance assumed .....	0	0	0	0
2.6 Contingent - reinsurance ceded .....	0	0	0	0
2.7 Policy and membership fees .....	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	0	0	0	0
3. Allowances to managers and agents .....	0	0	0	0
4. Advertising .....	0	0	0	0
5. Boards, bureaus and associations .....	0	0	0	0
6. Surveys and underwriting reports .....	0	0	0	0
7. Audit of assureds' records .....	0	0	0	0
8. Salary and related items:				
8.1 Salaries .....	0	0	0	0
8.2 Payroll taxes .....	0	0	0	0
9. Employee relations and welfare .....	0	0	0	0
10. Insurance .....	0	0	0	0
11. Directors' fees .....	0	0	0	0
12. Travel and travel items .....	0	0	0	0
13. Rent and rent items .....	0	0	0	0
14. Equipment .....	0	0	0	0
15. Cost or depreciation of EDP equipment and software .....	0	0	0	0
16. Printing and stationery .....	0	0	0	0
17. Postage, telephone and telegraph, exchange and express .....	0	0	0	0
18. Legal and auditing .....	0	0	0	0
19. Totals (Lines 3 to 18) .....	0	0	0	0
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....0 .....	0	0	0	0
20.2 Insurance department licenses and fees .....	0	0	0	0
20.3 Gross guaranty association assessments .....	0	0	0	0
20.4 All other (excluding federal and foreign income and real estate) .....	0	0	0	0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	0	0	0	0
21. Real estate expenses .....	0	0	0	0
22. Real estate taxes .....	0	0	0	0
23. Reimbursements by uninsured plans .....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses .....	0	0	27,771	27,771
25. Total expenses incurred .....	0	0	27,771 (a)	27,771
26. Less unpaid expenses - current year .....	0	0	6,598	6,598
27. Add unpaid expenses - prior year .....	0	0	0	0
28. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year .....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	0	0	21,173	21,173
<b>DETAILS OF WRITE-INS</b>				
2401. Investment Expense .....	0	0	27,771	27,771
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	0	0	27,771	27,771

(a) Includes management fees of \$ .....0 to affiliates and \$ .....0 to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a) .....57,381	.....60,951
1.1	Bonds exempt from U.S. tax .....	(a) .....4,914	.....4,637
1.2	Other bonds (unaffiliated) .....	(a) .....227,384	.....271,167
1.3	Bonds of affiliates .....	(a) .....0	.....0
2.1	Preferred stocks (unaffiliated) .....	(b) .....0	.....0
2.11	Preferred stocks of affiliates .....	(b) .....0	.....0
2.2	Common stocks (unaffiliated) .....	.....30,984	.....30,510
2.21	Common stocks of affiliates .....	.....0	.....0
3.	Mortgage loans .....	(c) .....0	.....0
4.	Real estate .....	(d) .....0	.....0
5	Contract loans .....	.....0	.....0
6	Cash, cash equivalents and short-term investments .....	(e) .....17,755	.....13,517
7	Derivative instruments .....	(f) .....0	.....0
8.	Other invested assets .....	.....3,627	.....3,627
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	342,045	384,409
11.	Investment expenses .....		(g) .....27,771
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) .....0
13.	Interest expense .....		(h) .....0
14.	Depreciation on real estate and other invested assets .....		(i) .....0
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....27,771
17.	Net investment income (Line 10 minus Line 16) .....		356,638
DETAILS OF WRITE-INS			
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	0	0
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....		0

- (a) Includes \$ .....11,956 accrual of discount less \$ .....109,034 amortization of premium and less \$ .....34,213 paid for accrued interest on purchases.
- (b) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ .....0 paid for accrued dividends on purchases.
- (c) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ .....0 paid for accrued interest on purchases.
- (d) Includes \$ .....0 for company's occupancy of its own buildings; and excludes \$ .....0 interest on encumbrances.
- (e) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ .....0 paid for accrued interest on purchases.
- (f) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium.
- (g) Includes \$ .....27,771 investment expenses and \$ .....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ .....0 interest on surplus notes and \$ .....0 interest on capital notes.
- (i) Includes \$ .....0 depreciation on real estate and \$ .....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....0	.....0	.....0	.....1,282	.....0
1.1	Bonds exempt from U.S. tax .....	.....0	.....0	.....0	.....0	.....0
1.2	Other bonds (unaffiliated) .....	.....565	.....0	.....565	.....51	.....0
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....80,702	.....0	.....80,702	.....(148,521)	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....0	.....0
5.	Contract loans .....	.....0	.....0	.....0	.....0	.....0
6.	Cash, cash equivalents and short-term investments .....	.....0	.....0	.....0	.....0	.....0
7.	Derivative instruments .....	.....0	.....0	.....0	.....0	.....0
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses) .....	81,267	0	81,267	(147,188)	0
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale .....			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....			
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27)			
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)			

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

NOTE 1      Summary of Significant Accounting Policies and Going Concern

A.      Accounting Practices

The accompanying financial statements of State Mutual Insurance Company have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the State of Maine.

The Maine Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Maine for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under Maine Insurance Law. The National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Maine to the extent that it does not conflict with Maine's prescribed or permitted practices.

There are no differences between NAIC SAP and Maine's prescribed practices in accounting that affect the accompanying financial statements of the Company.

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 351,084	\$ 83,718
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				\$ -	\$ -
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				\$ -	\$ -
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 351,084	\$ 83,718
SURPLUS					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 13,437,949	\$ 13,205,219
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				\$ -	\$ -
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				\$ -	\$ -
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 13,437,949	\$ 13,205,219

B.      Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

C.      Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of the premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance. Expenses incurred in connection with acquiring new business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received.

In addition, the Company uses the following accounting policies:

- 1) Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.
- 2) Bonds not backed by other loans are stated at amortized value using the scientific interest method. Non-investment grade bonds are stated at the lower of amortized value or fair value. Mandatory convertible bonds are stated at amortized value until the period prior to conversion, at which time they are valued at the lower of amortized value or fair value. SVO identified bonds are stated at actual market value.
- 3) Common stocks are stated at market value.
- 4) The company has no preferred stocks.
- 5) The Company has no mortgage loans.
- 6) Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all loan-backed securities. However, the prospective adjustment method is applied when loan-backed securities are written down due to other-than-temporary impairment.
- 7) The Company has no investments in affiliates.
- 8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- 9) The Company has no derivatives.
- 10) The Company anticipates investment income in its premium deficiency calculation.
- 11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount to be adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- 12) There was no change in the Company's Capitalization policy.
- 13) The Company has no receivables for Pharmaceutical Rebates.

D.      Going Concern

Not applicable

NOTE 2      Accounting Changes and Corrections of Errors

Not applicable

NOTE 3      Business Combinations and Goodwill

A.      Statutory Purchase Method

The Company did not enter into any statutory purchases during the year.

B.      Statutory Merger

Not applicable

## NOTES TO FINANCIAL STATEMENTS

- NOTE 5 Investments**

- (1) Prepayment assumptions for single-class and multi-class mortgage-backed securities were calculated based on Constant Prepayment Rates provided through Bloomberg Finance L.P.

[illegible]

- 14.1

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6	7
	1	2	3	4	5		
	Total General Account (G/A)	Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Collateral held under security lending agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c. Subject to repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d. Subject to reverse repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e. Subject to dollar repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
f. Subject to dollar reverse repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
g. Placed under option contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
i. FHLB capital stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
j. On deposit with states	\$ 255,135	\$ -	\$ -	\$ -	\$ 255,135	\$ 101,686	\$ 153,449
k. On deposit with other regulatory bodies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
l. Pledged collateral to FHLB (including assets backing funding agreements)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
m. Pledged as collateral not captured in other categories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
n. Other restricted assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
o. Total Restricted Assets	\$ 255,135	\$ -	\$ -	\$ -	\$ 255,135	\$ 101,686	\$ 153,449

Restricted Asset Category	Current Year			
	8	9	Percentage	
			10	11
			Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	0.000%	0.000%
b. Collateral held under security lending agreements	\$ -	\$ -	0.000%	0.000%
c. Subject to repurchase agreements	\$ -	\$ -	0.000%	0.000%
d. Subject to reverse repurchase agreements	\$ -	\$ -	0.000%	0.000%
e. Subject to dollar repurchase agreements	\$ -	\$ -	0.000%	0.000%
f. Subject to dollar reverse repurchase agreements	\$ -	\$ -	0.000%	0.000%
g. Placed under option contracts	\$ -	\$ -	0.000%	0.000%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ -	\$ -	0.000%	0.000%
i. FHLB capital stock	\$ -	\$ -	0.000%	0.000%
j. On deposit with states	\$ -	\$ 255,135	1.879%	1.879%
k. On deposit with other regulatory bodies	\$ -	\$ -	0.000%	0.000%
l. Pledged collateral to FHLB (including assets backing funding agreements)	\$ -	\$ -	0.000%	0.000%
m. Pledged as collateral not captured in other categories	\$ -	\$ -	0.000%	0.000%
n. Other restricted assets	\$ -	\$ -	0.000%	0.000%
o. Total Restricted Assets	\$ -	\$ 255,135	1.879%	1.879%

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Not applicable

3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Not applicable

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Not applicable

M. Working Capital Finance Investments

Not applicable

N. Offsetting and Netting of Assets and Liabilities

Not applicable

O. Structured Notes

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage-Referenced Security (Y/N)
912828-MF-4	\$ 53,319	\$ 66,905	\$ 57,904	No
Total	\$ 53,319	\$ 66,905	\$ 57,904	XXX

P. 5GI Securities

Not applicable

Q. Short Sales

Not applicable

R. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
1. Number of CUSIPs	0	0
2. Aggregate Amount of Investment Income	\$ -	\$ -

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies

- A. Detail for those greater than 10% of Admitted Assets
- Not applicable
- B. Write-downs for Impairments
- Not applicable

NOTE 7 Investment Income

- A. Accrued Investment Income
- The Company nonadmits investment income due and accrued if amounts are over 90 days past due or relate to bonds in default.
- B. Amounts Nonadmitted
- Not applicable

NOTE 8 Derivative Instruments

The Company has no derivative instruments.

NOTE 9 Income Taxes

- A. The components of the net deferred tax asset/(liability) at the end of current period are as follows:

1.

	As of End of Current Period			12/31/2017			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	\$ 694	\$ 6,846	\$ 7,540	\$ 425	\$ 6,846	\$ 7,271	\$ 269	\$ -	\$ 269
(b) Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 694	\$ 6,846	\$ 7,540	\$ 425	\$ 6,846	\$ 7,271	\$ 269	\$ -	\$ 269
(d) Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 694	\$ 6,846	\$ 7,540	\$ 425	\$ 6,846	\$ 7,271	\$ 269	\$ -	\$ 269
(f) Deferred Tax Liabilities	\$ 2,736	\$ 139,244	\$ 141,980	\$ 607	\$ 169,938	\$ 170,545	\$ 2,129	\$ (30,694)	\$ (28,565)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ (2,042)	\$ (132,398)	\$ (134,440)	\$ (182)	\$ (163,092)	\$ (163,274)	\$ (1,860)	\$ 30,694	\$ 28,834

2.

	As of End of Current Period			12/31/2017			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	\$ 2,010,499	XXX	XXX	\$ 1,975,378	XXX	XXX	\$ 35,121
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 694	\$ 6,846	\$ 7,540	\$ 425	\$ 6,846	\$ 7,271	\$ 269	\$ -	\$ 269
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 694	\$ 6,846	\$ 7,540	\$ 425	\$ 6,846	\$ 7,271	\$ 269	\$ -	\$ 269

3.

	2018	2017
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	8306.824%	9040.584%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 13,437,949	\$ 13,205,219

4.

	As of End of Current Period		12/31/2017		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col. 1 - 3) Ordinary	(6) (Col. 2 - 4) Capital
Impact of Tax Planning Strategies:						
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1(c)	\$ 694	\$ 6,846	\$ 425	\$ 6,846	\$ 269	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 694	\$ 6,846	\$ 425	\$ 6,846	\$ 269	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

- b. Do the Company's tax-planning strategies include the use of reinsurance?
- Yes [ ] No [X]

- B. The Company has no unrecognized deferred income tax liabilities.



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

C. Current income taxes incurred consist of the following major components:

	(1) As of End of Current Period	(2) 12/31/2017	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ 69,755	\$ 13,439	\$ 56,316
(b) Foreign	\$ -	\$ -	\$ -
(c) Subtotal	\$ 69,755	\$ 13,439	\$ 56,316
(d) Federal income tax on net capital gains	\$ 17,066	\$ 1,351	\$ 15,715
(e) Utilization of capital loss carry-forwards	\$ -	\$ -	\$ -
(f) Other	\$ -	\$ (2)	\$ 2
(g) Federal and foreign income taxes incurred	\$ 86,821	\$ 14,788	\$ 72,033
The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:			
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ -	\$ -	\$ -
(2) Unearned premium reserve	\$ -	\$ -	\$ -
(3) Policyholder reserves	\$ -	\$ -	\$ -
(4) Investments	\$ 694	\$ 425	\$ 269
(5) Deferred acquisition costs	\$ -	\$ -	\$ -
(6) Policyholder dividends accrual	\$ -	\$ -	\$ -
(7) Fixed Assets	\$ -	\$ -	\$ -
(8) Compensation and benefits accrual	\$ -	\$ -	\$ -
(9) Pension accrual	\$ -	\$ -	\$ -
(10) Receivables - nonadmitted	\$ -	\$ -	\$ -
(11) Net operating loss carry-forward	\$ -	\$ -	\$ -
(12) Tax credit carry-forward	\$ -	\$ -	\$ -
(13) Other (including items <5% of total ordinary tax assets)	\$ -	\$ -	\$ -
(99) Subtotal	\$ 694	\$ 425	\$ 269
(b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c) Nonadmitted	\$ -	\$ -	\$ -
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 694	\$ 425	\$ 269
(e) Capital:			
(1) Investments	\$ 6,846	\$ 6,846	\$ -
(2) Net capital loss carry-forward	\$ -	\$ -	\$ -
(3) Real estate	\$ -	\$ -	\$ -
(4) Other (including items <5% of total ordinary tax assets)	\$ -	\$ -	\$ -
(99) Subtotal	\$ 6,846	\$ 6,846	\$ -
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g) Nonadmitted	\$ -	\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 6,846	\$ 6,846	\$ -
(i) Admitted deferred tax assets (2d + 2h)	\$ 7,540	\$ 7,271	\$ 269
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ 2,736	\$ 607	\$ 2,129
(2) Fixed Assets	\$ -	\$ -	\$ -
(3) Deferred and uncollected premium	\$ -	\$ -	\$ -
(4) Policyholder reserves	\$ -	\$ -	\$ -
(5) Other (including items <5% of total ordinary tax liabilities)	\$ -	\$ -	\$ -
(99) Subtotal	\$ 2,736	\$ 607	\$ 2,129
(b) Capital:			
(1) Investments	\$ 139,244	\$ 169,938	\$ (30,694)
(2) Real estate	\$ -	\$ -	\$ -
(3) Other (including items <5% of total capital tax liabilities)	\$ -	\$ -	\$ -
(99) Subtotal	\$ 139,244	\$ 169,938	\$ (30,694)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 141,980	\$ 170,545	\$ (28,565)
4. Net deferred tax assets/liabilities (2i - 3c)	\$ (134,440)	\$ (163,274)	\$ 28,834

5. The change in net deferred income taxes is comprised of the following (exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the Surplus section of the Annual Statement):

	12/31/2018	12/31/2017	Change
Adjusted gross deferred tax assets	\$ 7,540	\$ 7,271	\$ 269
Total deferred tax liabilities	\$ 141,980	\$ 170,545	\$ (28,565)
Net deferred tax assets (liabilities)	\$ (134,440)	\$ (163,274)	\$ 28,834
Tax effect of unrealized gains (losses)			\$ (30,694)
Change in net deferred income tax			\$ (1,860)

D. The provision for federal and foreign taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	2018	Effective Tax Rate
Provision computed at statutory rate	\$ 91,960	21.0%
Tax exempt income deduction	\$ (974)	-0.2%
Dividends received deduction	\$ (3,129)	-0.7%
Non-taxable interest and dividends - 15%	\$ 1,026	20.0%
Nonadmitted assets	\$ -	0.0%
Deferred tax rate differential	\$ -	0.0%
Other adjustments	\$ (203)	-0.2%
Total	\$ 88,680	20.3%
Federal and foreign income taxes incurred	\$ 86,821	19.8%
Change in net deferred income taxes	\$ 1,859	0.4%
Total statutory income taxes	\$ 88,680	20.3%

E. Operating Loss and Tax Credit Carry-Forwards and Protective Tax Deposits

1. The Company has no operating loss carryforwards available.
2. The amount of federal income taxes incurred and available for recoupment in the event of future net losses is : current year \$86,821; first preceding year \$14,948.
3. The Company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. The company has no federal or foreign income tax loss contingencies.

- G. 1. The Company's federal income tax return is not consolidated.
2. Not applicable

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

H. Repatriation Transition Tax (RTT)

Not applicable

I. Alternative Minimum Tax (AMT) Credit

Not applicable

NOTE 10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationships

The Company is an affiliate of the Concord Group Insurance Companies which is affiliated with the Auto-Owners Insurance Company, as shown on Schedule Y.

B. Detail of Transactions Greater than ½% of Admitted Assets

Not applicable

C. Change in Terms of Intercompany Arrangements

The Company had no changes of intercompany arrangements during the year.

D. Amounts Due to/from Related Parties

The Company is reporting a payable to it's parent, Concord General Mutual Insurance Company, for investment related expenses.

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

The Company receives certain management and data operating services through its affiliations with Concord General Mutual Insurance Company and Auto-Owners Insurance Company.

G. Nature of Relationship that could affect Operations

Not applicable

H. Amount Deducted for Investment in Upstream Company

Not applicable

I. Detail of Investment in Affiliates Greater than 10% of Admitted Assets

Not applicable

J. Write Down for Impairments of Investments in SCAs

Not applicable

K. Investments in a Foreign Insurance Subsidiary

Not applicable

L. Investments in a Downstream Noninsurance Holding Company

Not applicable

M. All SCA Investments

Not applicable

N. Investment in Insurance SCAs

Not applicable

O. SCA Loss Tracking

Not applicable

NOTE 11 Debt

A. Amount, Interest, Maturities, Collateral, Covenants

Not applicable

B. FHLB (Federal Home Loan Bank) Agreements

Not applicable

NOTE 12 Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A - I

Not applicable

NOTE 13 Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) Outstanding Shares

Not applicable

(2) Dividend Rate of Preferred Stock

Not applicable

(3) Dividend Restrictions

Not applicable

(4) Dates and Amounts of Dividends Paid

Not applicable

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

(5) Amount of Ordinary Dividends that may be Paid

None

(6) Restrictions on Unassigned Funds

Not applicable

(7) Mutual Surplus Advances

Not applicable

(8) Company Stock Held for Special Purposes

Not applicable

(9) Changes in Special Surplus Funds

Not applicable

(10) Change in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses\$644,348

(11) Surplus Notes

1	2	3	4	5	6	7	8
Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note*	Interest And/Or Principal Paid Current Year	Total Interest And/Or Principal Paid	Unapproved Interest And/Or Principal	Date of Maturity
10/24/2017	2.000%	\$10,600,000	\$10,600,000				10/24/2037
1311999. Total		\$10,600,000	\$10,600,000	\$-	\$-	\$-	XXX

\* Total should agree with Page 3, Line 33.

(12) and (13) Impact and Date of Quasi Reorganizations

Not applicable

NOTE 14Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities.

B. Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums were written, or, in the case of loss based assessments, at the time the losses are incurred. The Company has not accrued a liability for guaranty fund and other assessments because it feels it has no applicable exposure at year-end.

C. Gain Contingencies

Not applicable

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

Not applicable

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. All Other Contingencies

The Company cedes 100% of its premiums to the parent company, Concord General Mutual Insurance Company. Therefore, the Company does not record an uncollected premium receivable.

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

NOTE 15Leases

A. Lessee Operating Lease

Not applicable

B. Lessor Leases

Not applicable

NOTE 16Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

(1) Financial Instruments with Off-Balance Sheet Risk

Not applicable

(2) Financial Instruments with Concentrations of Credit Risk

Not applicable

(3) Exposure to Credit Related Losses

Not applicable

(4) Collateral Policy

Not applicable

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

NOTE 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales
- Not applicable
- B. Transfers and Servicing of Financial Assets
- Not applicable
- C. Wash Sales
- Not applicable

NOTE 18 Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans
- Not applicable
- B. ASC Plans
- Not applicable
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract
- Not applicable

NOTE 19 Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

- Not applicable

NOTE 20 Fair Value Measurements

- A.
- (1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Bonds - Industrial & Miscellaneous	\$ 48,750	\$ -	\$ -	\$ -	\$ 48,750
Common Stock - Industrial & Miscellaneous	\$ 1,271,472	\$ -	\$ -	\$ -	\$ 1,271,472
Total assets at fair value/NAV	\$ 1,320,222	\$ -	\$ -	\$ -	\$ 1,320,222

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
b. Liabilities at fair value					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

The Company evaluates those assets measured and reported at fair value at the end of each reporting period to determine whether an event has occurred that would cause an asset to be transferred between levels 1 and 2. There were no transfers between levels 1 and 2 for year-end 2018.

- (2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy

Description	Beginning Balance at 01/01/2018	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2018
a. Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Description	Beginning Balance at 01/01/2018	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2018
a. Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

- (3) Policy on Transfers into and out of Level 3

The Company evaluates those assets measured and reported at fair value at the end of each reporting period to determine whether an event has occurred that would cause an asset to be transferred into or out of level 3.

The Company determined that no transfers into and out of level 3 were required for year-end 2018.

- (4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value that fall within the level 3 category.

Level 2 assets are valued using a market approach. When assets are recognized as a level 2 it is because either matrix pricing, quoted market prices for similar assets in an active market or quoted market prices for identical assets trading in an inactive market were utilized when determining its fair value.

- (5) Fair Value Disclosures for Derivative Assets and Liabilities

Not applicable

- B. Other Fair Value Disclosures
- Not applicable

- C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds	\$ 11,242,404	\$ 11,512,955	\$ 10,836,386	\$ 406,018	\$ -	\$ -	\$ -
Preferred Stocks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common Stocks	\$ 1,271,472	\$ 1,271,472	\$ 1,271,472	\$ -	\$ -	\$ -	\$ -
Cash Equivalents & Short Term Investments	\$ 449,803	\$ 449,803	\$ 449,803	\$ -	\$ -	\$ -	\$ -
Other Assets	\$ 221,413	\$ 227,181	\$ 221,413	\$ -	\$ -	\$ -	\$ -
Other - Collateral Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 13,185,092	\$ 13,461,411	\$ 12,779,074	\$ 406,018	\$ -	\$ -	\$ -
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Derivative Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

D. Reasons Not Practicable to Estimate Fair Value

Not applicable

NOTE 21 Other Items

A. Unusual or Infrequent Items

Not applicable

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

Not applicable

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-transferable Tax Credits

Not applicable

F. Subprime Mortgage Related Risk Exposure

(1) The Company does not engage in subprime residential mortgage lending. The Company’s exposure to subprime lending is limited to investments within the fixed maturity investment portfolio which contains securities collateralized by mortgages that may have characteristics of subprime lending such as, adjustable rate mortgages. These investments are in the form of asset backed securities. The Company maintains a conservative investment strategy and primarily invests in mortgage-backed/asset backed securities with the highest quality rating. The Company believes that its greatest exposure is to unrealized losses from declines in asset values rather than losses resulting from defaults or foreclosures.

(2) Direct exposure through investments in subprime mortgage loans.

Not applicable

(3) Direct exposure through other investments.

Not applicable

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

Not applicable

G. Insurance-Linked Securities (ILS) Contracts

Not applicable

NOTE 22 Events Subsequent

Type 1 – Recognized Subsequent Events

Subsequent events have been considered through February 8, 2019 for the Statutory Financial Statements which are to be issued March 1, 2019.

The Company filed a license expansion application with the Commonwealth of Massachusetts in October 2017 and received provisional approval on January 19, 2018 pending compliance with additional supplemental regulatory requirements. The Company anticipates that all additional requirements will be completed within sixty days of the provisional approval.

The Company received licensing approval from the Commonwealth of Massachusetts on March 21, 2018. The Company began writing Homeowner, Personal Inland Marine and Umbrella coverage in June of 2018. As of December 31, the Company wrote \$138,665.00 in direct written premium in the Commonwealth of Massachusetts.

Type II - Nonrecognized Subsequent Events

Not applicable

NOTE 23 Reinsurance

A. Unsecured Reinsurance Recoverables

The Company has an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with an authorized reinsurer that exceeds 3% of policyholders' surplus.

NAIC CODE	FEDERAL ID #	NAME OF REINSURER	AMOUNT
20672	02-0131910	Concord General Mutual	\$1,246,418

B. Reinsurance Recoverable in Dispute

The Company does not have reinsurance recoverables for paid losses and loss adjustment expenses that exceed 5% of policyholders’ surplus for an individual reinsurer or 10% of policyholders’ surplus in aggregate.

C. Reinsurance Assumed and Ceded  
(1)

	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1)	(2)	(3)	(4)	(5)	(6)
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ -	\$ -	\$ 906,000	\$ 181,206	\$ (906,000)	\$ (181,206)
b. All Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c. Total	\$ -	\$ -	\$ 906,000	\$ 181,206	\$ (906,000)	\$ (181,206)
d. Direct Unearned Premium Reserve						\$ 906,000

D. Uncollectible Reinsurance

Not applicable

E. Commutation of Ceded Reinsurance Reflected in Income and Expenses.

Not applicable

F. Retroactive Reinsurance

Not applicable

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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- G.

Reinsurance Accounted for as a Deposit

Not applicable
- H.

Run-off Agreements

Not applicable
- I.

Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable
- J.

Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

NOTE 24

Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

NOTE 25

Change in Incurred Losses and Loss Adjustment Expenses

Not applicable

NOTE 26

Intercompany Pooling Arrangements

The Company has no intercompany pooling arrangements.

NOTE 27

Structured Settlements

Not applicable

NOTE 28

Health Care Receivables

Not applicable

NOTE 29

Participating Policies

Not applicable

NOTE 30

Premium Deficiency Reserves

The Company has not recorded any premium deficiency reserves.

NOTE 31

High Deductibles

Not applicable

NOTE 32

Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable

NOTE 33

Asbestos/Environmental Reserves

Not applicable

NOTE 34

Subscriber Savings Accounts

The Company is not a reciprocal exchange and therefore does not have subscriber savings accounts.

NOTE 35

Multiple Peril Crop Insurance

Not applicable

NOTE 36

Financial Guaranty Insurance

Not applicable

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [ X ] No [ ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....

Yes [ X ] No [ ] N/A [ ]

1.3

State Regulating? .....

Maine

1.4

Is the reporting entity publicly traded or a member of a publicly traded group? .....

Yes [ ] No [ X ]

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ X ] No [ ]

2.2

If yes, date of change: .....

03/26/2018

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2015

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2015

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

03/21/2017

3.4

By what department or departments?  
Maine .....

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes [ X ] No [ ] N/A [ ]

3.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ X ] No [ ] N/A [ ]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? .....  
4.12 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? .....  
4.22 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....  
If yes, complete and file the merger history data file with the NAIC.

Yes [ ] No [ X ]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes [ ] No [ X ]

6.2

If yes, give full information: .....

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....

Yes [ ] No [ X ]

7.2

If yes,  
7.21 State the percentage of foreign control; .....  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

0.0 %

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [ X ]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Crowe LLP  
155 West Nationwide Blvd  
Columbus, OH 43215
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [ ] No [ X ]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [ X ] No [ ] N/A [ ]
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Mark S. Wenger, FCAS, MAAA, AVP and Chief P&C Actuary-Auto-Owners Insurance Company  
6101 Anacapri Blvd  
Lansing, MI 48917
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ] No [ X ]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved

0
- 12.13

Total book/adjusted carrying value

\$ 0
- 12.2

If, yes provide explanation:
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ] No [ ]
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ] No [ ]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ] No [ ] N/A [ ]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [ X ] No [ ]
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [ ] No [ X ]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2  Issuing or Confirming Bank Name	3  Circumstances That Can Trigger the Letter of Credit	4  Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [ X ] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$0

20.12 To stockholders not officers\$0

20.13 Trustees, supreme or grand (Fraternal Only)\$0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$0

20.22 To stockholders not officers\$0

20.23 Trustees, supreme or grand (Fraternal Only)\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$0

21.22 Borrowed from others\$0

21.23 Leased from others\$0

21.24 Other\$0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$0

22.22 Amount paid as expenses\$0

22.23 Other amounts paid\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ X ] No [ ]
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided) The Company does not participate in security lending programs.
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.\$0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.\$0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	0
		25.22 Subject to reverse repurchase agreements	\$	0
		25.23 Subject to dollar repurchase agreements	\$	0
		25.24 Subject to reverse dollar repurchase agreements	\$	0
		25.25 Placed under option agreements	\$	0
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
		25.27 FHLB Capital Stock	\$	0
		25.28 On deposit with states	\$	255,135
		25.29 On deposit with other regulatory bodies	\$	0
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
		25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes ☐ No ☐ N/A ☒

If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ☐ No ☒

27.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes ☒ No ☐

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
The Northern Trust	50 South LaSalle St., Chicago, IL 60603

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes ☐ No ☒

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Auto-Owners Insurance Company .....	A.....
.....	.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ ] No [ X ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [ ] No [ X ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
N/A .....	Auto-Owners Insurance Company .....	N/A .....	N/A .....	DS.....
.....	.....	.....	.....	.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	11,512,955	11,242,404	(270,551)
30.2 Preferred stocks .....	0	0	0
30.3 Totals	11,512,955	11,242,404	(270,551)

30.4 Describe the sources or methods utilized in determining the fair values:  
Fair market values are provided by custodial banks. ....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ X ] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ X ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

32.2 If no, list exceptions:  
.....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

33.

By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

a.

Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

b.

Issuer or obligor is current on all contracted interest and principal payments.

c.

The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? 

Yes ☐

No ☒
34.

By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

a.

The security was purchased prior to January 1, 2018.

b.

The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c.

The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d.

The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? 

Yes ☐

No ☒
- OTHER
- 35.1

Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? 

\$

0

35.2

List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid

36.1

Amount of payments for legal expenses, if any? 

\$

0

36.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid

37.1

Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? 

\$

0

37.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid
- 15.5

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force? .....

Yes [ ] No [ X ]

1.2

If yes, indicate premium earned on U. S. business only. ....

\$ 0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....

\$ 0

1.31

Reason for excluding .....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. ....

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance. ....

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned .....

\$ 0

1.62

Total incurred claims .....

\$ 0

1.63

Number of covered lives .....

0

All years prior to most current three years

1.64

Total premium earned .....

\$ 0

1.65

Total incurred claims .....

\$ 0

1.66

Number of covered lives .....

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned .....

\$ 0

1.72

Total incurred claims .....

\$ 0

1.73

Number of covered lives .....

0

All years prior to most current three years

1.74

Total premium earned .....

\$ 0

1.75

Total incurred claims .....

\$ 0

1.76

Number of covered lives .....

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator .....

0

0

2.2

Premium Denominator .....

0

0

2.3

Premium Ratio (2.1/2.2) .....

0.000

0.000

2.4

Reserve Numerator .....

0

0

2.5

Reserve Denominator .....

0

0

2.6

Reserve Ratio (2.4/2.5) .....

0.000

0.000

3.1

Does the reporting entity issue both participating and non-participating policies? .....

Yes [ ] No [ X ]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies .....

\$ 0

3.22

Non-participating policies .....

\$ 0

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1

Does the reporting entity issue assessable policies? .....

Yes [ ] No [ X ]

4.2

Does the reporting entity issue non-assessable policies? .....

Yes [ X ] No [ ]

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....

% 0.0

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. ....

\$ 0

5.

For Reciprocal Exchanges Only:

5.1

Does the Exchange appoint local agents? .....

Yes [ ] No [ ]

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [ ] No [ ] N/A [ ]

5.22

As a direct expense of the exchange.....

Yes [ ] No [ ] N/A [ ]

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact? .....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? .....

Yes [ ] No [ ]

5.5

If yes, give full information .....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
Not Applicable

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.  
Computer modeling and other tools are used to analyze the Company's book of business based on coverage and geographic location.

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
The Company is fully reinsured through an intercompany reinsurance program provided by the Concord General Mutual Insurance Company who carries a \$1.5 billion catastrophe program with a \$15 million retention.

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes ☒ No ☐

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.

7.1

Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?

Yes ☐ No ☒

7.2

If yes, indicate the number of reinsurance contracts containing such provisions:

0

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes ☐ No ☐

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes ☐ No ☒

8.2

If yes, give full information

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
(c) Aggregate stop loss reinsurance coverage;  
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes ☐ No ☒

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes ☐ No ☒

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes ☐ No ☒

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
(a) The entity does not utilize reinsurance; or,  
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or  
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes ☐ No ☒

Yes ☒ No ☐

Yes ☐ No ☒

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes ☐ No ☐ N/A ☒

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force?

Yes [ ] No [ X ]

11.2

If yes, give full information

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11

Unpaid losses

\$0

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$0

12.2

Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds

\$0

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes [ ] No [ ] N/A [ X ]

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41

From

0.0 %

12.42

To

0.0 %

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves , including unpaid losses under loss deductible features of commercial policies?

Yes [ ] No [ X ]

12.6

If yes, state the amount thereof at December 31 of the current year:

12.61

Letters of credit

\$0

12.62

Collateral and other funds

\$0

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$0

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [ ] No [ X ]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

0

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [ ] No [ X ]

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [ ] No [ ]

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [ ] No [ ]

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [ ] No [ X ]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [ ] No [ X ]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	0	0	0	0	0
16.12 Products	0	0	0	0	0
16.13 Automobile	0	0	0	0	0
16.14 Other*	0	0	0	0	0

\* Disclose type of coverage:

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance? .....

Yes [ ☐ ] No [ ☒ ]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11

Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance .....

\$ .....0

17.12

Unfunded portion of Interrogatory 17.11 .....

\$ .....0

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....

\$ .....0

17.14

Case reserves portion of Interrogatory 17.11 .....

\$ .....0

17.15

Incurred but not reported portion of Interrogatory 17.11 .....

\$ .....0

17.16

Unearned premium portion of Interrogatory 17.11 .....

\$ .....0

17.17

Contingent commission portion of Interrogatory 17.11 .....

\$ .....0

18.1

Do you act as a custodian for health savings accounts? .....

Yes [ ☐ ] No [ ☒ ]

18.2

If yes, please provide the amount of custodial funds held as of the reporting date. ....

\$ .....0

18.3

Do you act as an administrator for health savings accounts? .....

Yes [ ☐ ] No [ ☒ ]

18.4

If yes, please provide the balance of funds administered as of the reporting date. ....

\$ .....0

19.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? .....

Yes [ ☒ ] No [ ☐ ]

19.1

If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? .....

Yes [ ☐ ] No [ ☐ ]



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	9,798	5,932	6,286	6,154	7,716
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	17,024	11,326	11,856	12,573	14,343
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,569,633	1,416,826	1,440,627	1,501,608	1,579,097
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	1,596,455	1,434,084	1,458,769	1,520,335	1,601,156
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	0	0	0	0	0
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	0	0	0	0	0
14. Net investment gain or (loss) (Line 11)	420,839	97,160	96,962	67,572	68,316
15. Total other income (Line 15)	0	0	0	0	0
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	69,755	13,442	3,681	3,625	6,382
18. Net income (Line 20)	351,084	83,718	93,281	63,947	61,934
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	13,578,986	13,368,492	2,478,342	2,450,093	2,407,326
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 15.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	141,037	163,273	202,727	175,569	182,990
22. Losses (Page 3, Line 1)	0	0	0	0	0
23. Loss adjustment expenses (Page 3, Line 3)	0	0	0	0	0
24. Unearned premiums (Page 3, Line 9)	0	0	0	0	0
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	13,437,949	13,205,219	2,275,615	2,274,524	2,224,336
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	327,213	22,837	54,802	64,783	73,784
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	13,437,949	13,205,219	2,275,615	2,274,524	2,224,336
29. Authorized control level risk-based capital	161,770	146,066	117,980	120,496	120,770
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>					
30. Bonds (Line 1)	85.5	49.3	43.4	44.6	43.6
31. Stocks (Lines 2.1 & 2.2)	9.4	10.8	49.7	49.0	52.6
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	3.3	39.8	6.9	6.3	3.8
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	1.7	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	0	0	0	0	0
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	0	0	0	0	0
49. Total Investment in Parent included in Lines 42 to 47 above	0	0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24) .....	( 116,494)	144,504	44,158	( 16,989)	60,592
52. Dividends to stockholders (Line 35) .....	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38) .....	232,730	10,929,604	1,091	50,188	118,279
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	0	0	0	0	0
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	1,950	2,226	24,201	3,624	4,239
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	513,914	850,540	1,084,960	702,837	580,643
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	0	0	0	0	0
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
59. Total (Line 35) .....	515,864	852,766	1,109,161	706,461	584,882
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	0	0	0	0	0
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	0	0	0	0	0
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	0	0	0	0	0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	0	0	0	0	0
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
65. Total (Line 35) .....	0	0	0	0	0
<b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....	0.0	0.0	0.0	0.0	0.0
68. Loss expenses incurred (Line 3) .....	0.0	0.0	0.0	0.0	0.0
69. Other underwriting expenses incurred (Line 4) .....	0.0	0.0	0.0	0.0	0.0
70. Net underwriting gain (loss) (Line 8) .....	0.0	0.0	0.0	0.0	0.0
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) .....	0.0	0.0	0.0	0.0	0.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	0.0	0.0	0.0	0.0	0.0
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) .....	0.0	0.0	0.0	0.0	0.0
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....	0	0	0	0	0
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0).....	0.0	0.0	0.0	0.0	0.0
<b>Two Year Loss Development (\$000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	0	0	0	0	0
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0) .....	0.0	0.0	0.0	0.0	0.0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? .....

Yes [     ] No [     ]

If no, please explain: .....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1  Direct and Assumed	2  Ceded	3  Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded	Salvage and Subrogation Received	Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 2009.....	1,558	1,558	0	984	984	5	5	71	71	24	0	XXX
3. 2010.....	1,599	1,599	0	576	576	3	3	42	42	1	0	XXX
4. 2011.....	1,610	1,610	0	906	906	0	0	59	59	13	0	XXX
5. 2012.....	1,613	1,613	0	613	613	0	0	36	36	2	0	XXX
6. 2013.....	1,609	1,609	0	499	499	9	9	52	52	1	0	XXX
7. 2014.....	1,599	1,599	0	757	757	16	16	63	63	22	0	XXX
8. 2015.....	1,562	1,562	0	662	662	6	6	70	70	0	0	XXX
9. 2016.....	1,492	1,492	0	1,048	1,048	0	0	48	48	0	0	XXX
10. 2017.....	1,435	1,435	0	810	810	0	0	67	67	1	0	XXX
11. 2018.....	1,494	1,494	0	420	420	1	1	29	29	2	0	XXX
12. Totals	XXX	XXX	XXX	7,275	7,275	40	40	537	537	66	0	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
2. 2009.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3. 2010.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
4. 2011.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
5. 2012.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. 2013.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
7. 2014.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8. 2015.....	180	180	(10)	(10)	12	12	0	0	1	1	0	0	XXX
9. 2016.....	0	0	(150)	(150)	0	0	0	0	0	0	0	0	XXX
10. 2017.....	66	66	(5)	(5)	4	4	0	0	3	3	0	0	XXX
11. 2018.....	212	212	(8)	(8)	12	12	2	2	21	21	0	0	XXX
12. Totals	458	458	(173)	(173)	28	28	2	2	25	25	0	0	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33	Inter- Company Pooling Participation Percentage	35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2. 2009.....	1,060	1,060	0	68.0	68.0	0.0	0	0	0.0	0	0
3. 2010.....	621	621	0	38.8	38.8	0.0	0	0	0.0	0	0
4. 2011.....	965	965	0	59.9	59.9	0.0	0	0	0.0	0	0
5. 2012.....	649	649	0	40.2	40.2	0.0	0	0	0.0	0	0
6. 2013.....	560	560	0	34.8	34.8	0.0	0	0	0.0	0	0
7. 2014.....	836	836	0	52.3	52.3	0.0	0	0	0.0	0	0
8. 2015.....	921	921	0	59.0	59.0	0.0	0	0	0.0	0	0
9. 2016.....	946	946	0	63.4	63.4	0.0	0	0	0.0	0	0
10. 2017.....	945	945	0	65.9	65.9	0.0	0	0	0.0	0	0
11. 2018.....	689	689	0	46.1	46.1	0.0	0	0	0.0	0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	11 One Year	12 Two Year
1. Prior.....	0	0	0	0	0	0	0	0	0	0	0	0
2. 2009.....	0	0	0	0	0	0	0	0	0	0	0	0
3. 2010.....	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2011.....	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2012.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2013.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2014.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
1. Prior.....	000	0	0	0	0	0	0	0	0	0	XXX	XXX
2. 2009.....	0	0	0	0	0	0	0	0	0	0	XXX	XXX
3. 2010.....	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX
4. 2011.....	XXX	XXX	0	0	0	0	0	0	0	0	XXX	XXX
5. 2012.....	XXX	XXX	XXX	0	0	0	0	0	0	0	XXX	XXX
6. 2013.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0	XXX	XXX
7. 2014.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	XXX	XXX
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX	XXX
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

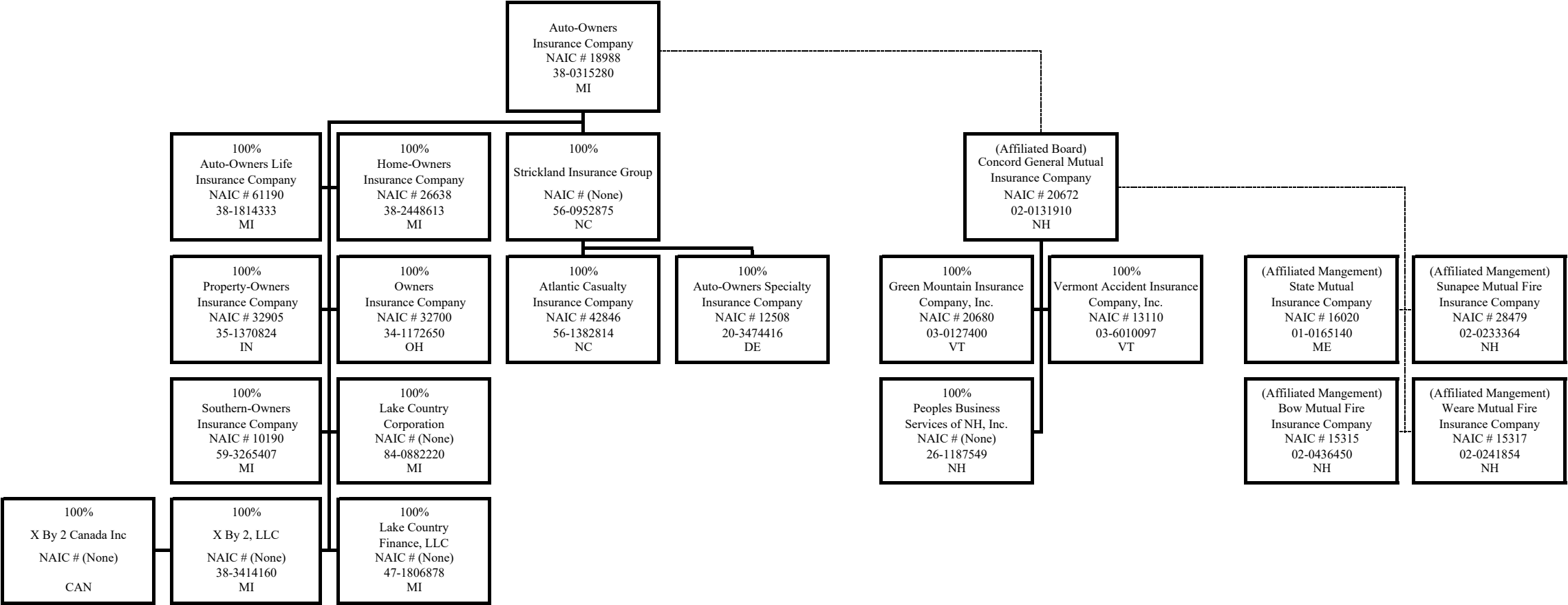
Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1. Prior.....	0	0	0	0	0	0	0	0	0	0
2. 2009.....	0	0	0	0	0	0	0	0	0	0
3. 2010.....	XXX	0	0	0	0	0	0	0	0	0
4. 2011.....	XXX	XXX	0	0	0	0	0	0	0	0
5. 2012.....	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2013.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2014.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories									
States, Etc.	1  Active Status (a)	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4  Dividends Paid or Credited to Policyholders on Direct Business	5  Direct Losses Paid (Deducting Salvage)	6  Direct Losses Incurred	7  Direct Losses Unpaid	8  Finance and Service Charges Not Included in Premiums	9  Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2  Direct Premiums Written	3  Direct Premiums Earned						
1. Alabama .....	AL	N	0	0	0	0	0	0	0
2. Alaska .....	AK	N	0	0	0	0	0	0	0
3. Arizona .....	AZ	N	0	0	0	0	0	0	0
4. Arkansas .....	AR	N	0	0	0	0	0	0	0
5. California .....	CA	N	0	0	0	0	0	0	0
6. Colorado .....	CO	N	0	0	0	0	0	0	0
7. Connecticut .....	CT	N	0	0	0	0	0	0	0
8. Delaware .....	DE	N	0	0	0	0	0	0	0
9. District of Columbia .....	DC	N	0	0	0	0	0	0	0
10. Florida .....	FL	N	0	0	0	0	0	0	0
11. Georgia .....	GA	N	0	0	0	0	0	0	0
12. Hawaii .....	HI	N	0	0	0	0	0	0	0
13. Idaho .....	ID	N	0	0	0	0	0	0	0
14. Illinois .....	IL	N	0	0	0	0	0	0	0
15. Indiana .....	IN	N	0	0	0	0	0	0	0
16. Iowa .....	IA	N	0	0	0	0	0	0	0
17. Kansas .....	KS	N	0	0	0	0	0	0	0
18. Kentucky .....	KY	N	0	0	0	0	0	0	0
19. Louisiana .....	LA	N	0	0	0	0	0	0	0
20. Maine .....	ME	L	1,457,790	1,450,231	0	515,864	546,545	285,390	0
21. Maryland .....	MD	N	0	0	0	0	0	0	0
22. Massachusetts .....	MA	L	138,665	43,392	0	0	0	0	0
23. Michigan .....	MI	N	0	0	0	0	0	0	0
24. Minnesota .....	MN	N	0	0	0	0	0	0	0
25. Mississippi .....	MS	N	0	0	0	0	0	0	0
26. Missouri .....	MO	N	0	0	0	0	0	0	0
27. Montana .....	MT	N	0	0	0	0	0	0	0
28. Nebraska .....	NE	N	0	0	0	0	0	0	0
29. Nevada .....	NV	N	0	0	0	0	0	0	0
30. New Hampshire .....	NH	N	0	0	0	0	0	0	0
31. New Jersey .....	NJ	N	0	0	0	0	0	0	0
32. New Mexico .....	NM	N	0	0	0	0	0	0	0
33. New York .....	NY	N	0	0	0	0	0	0	0
34. North Carolina .....	NC	N	0	0	0	0	0	0	0
35. North Dakota .....	ND	N	0	0	0	0	0	0	0
36. Ohio .....	OH	N	0	0	0	0	0	0	0
37. Oklahoma .....	OK	N	0	0	0	0	0	0	0
38. Oregon .....	OR	N	0	0	0	0	0	0	0
39. Pennsylvania .....	PA	N	0	0	0	0	0	0	0
40. Rhode Island .....	RI	N	0	0	0	0	0	0	0
41. South Carolina .....	SC	N	0	0	0	0	0	0	0
42. South Dakota .....	SD	N	0	0	0	0	0	0	0
43. Tennessee .....	TN	N	0	0	0	0	0	0	0
44. Texas .....	TX	N	0	0	0	0	0	0	0
45. Utah .....	UT	N	0	0	0	0	0	0	0
46. Vermont .....	VT	N	0	0	0	0	0	0	0
47. Virginia .....	VA	N	0	0	0	0	0	0	0
48. Washington .....	WA	N	0	0	0	0	0	0	0
49. West Virginia .....	WV	N	0	0	0	0	0	0	0
50. Wisconsin .....	WI	N	0	0	0	0	0	0	0
51. Wyoming .....	WY	N	0	0	0	0	0	0	0
52. American Samoa .....	AS	N	0	0	0	0	0	0	0
53. Guam .....	GU	N	0	0	0	0	0	0	0
54. Puerto Rico .....	PR	N	0	0	0	0	0	0	0
55. U.S. Virgin Islands .....	VI	N	0	0	0	0	0	0	0
56. Northern Mariana Islands .....	MP	N	0	0	0	0	0	0	0
57. Canada .....	CAN	N	0	0	0	0	0	0	0
58. Aggregate other alien ..	OT	XXX	0	0	0	0	0	0	0
59. Totals	XXX	1,596,455	1,493,623	0	515,864	546,545	285,390	0	0
DETAILS OF WRITE-INS									
58001. ....	XXX								
58002. ....	XXX								
58003. ....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts:  
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....2 R - Registered - Non-domiciled RRGs.....0  
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....0 Q - Qualified - Qualified or accredited reinsurer. ....0  
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus business in the state .....55  
lines in the state of domicile.....0  
(b) Explanation of basis of allocation of premiums by states, etc.  
Location of the risk on all property lines. Location of principal garaging or use on all auto lines.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING GROUP  
PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE STATE MUTUAL INSURANCE COMPANY  
**OVERFLOW PAGE FOR WRITE-INS**

**NONE**

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